

**GOVERNMENT OF INDIA
CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION
LOK SABHA**

UNSTARRED QUESTION NO:1144

ANSWERED ON:22.11.2016

Price Rise of Essential Items

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Will the Minister of CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION be pleased to state:

- (a) whether there is steep rise in prices of essential food items like pulses, flour, milk, spices, fruits, potato, tomato and other vegetables in the recent months and if so, the details thereof;
- (b) whether hoarding, black marketing and poor storage facilities are responsible for the price rise and if so, the manner in which the Government plans to address the issue of price rise of essential commodities;
- (c) whether the Government plans to set up a Price Stabilization Fund/Market Intervention Fund to curb the increasing rise in prices of essential commodities and if so, details and the likely impact thereof;
- (d) whether the Government is aware of the wide gap in wholesale and retail prices of essential commodities including pulses, fruits and vegetables and if so, the manner in which the Government plans to reduce the gap between wholesale price and retail price of these commodities along with the details of corrective action taken thereon; and
- (e) whether the Government is planning to fix maximum selling margin by putting a cap on arbitrariness in margins for essential commodities including fruits and vegetables and if so, the details thereof and the time by which it is likely to be implemented?

Answer

THE MINISTER OF STATE
CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION
(SHRI C. R. CHAUDHARY)

(a) : Details of rate of increase in prices for food items as per the latest wholesale Price Index released by Department of Industrial Policy and Promotion is at Annexure.

(b) : The various factors affecting prices and availability of essential food commodities, inter alia, include hoarding, black marketing and infrastructural constraints like lack of sufficient storage facility. To address the price rise of essential food items Government has taken measures like allowing imports of pulses and onions at zero duty, banning export of pulses with some exception, using Minimum Export Prices on some food items as and when required, allocating pulses at subsidised rates to States/UTs, etc.; In addition, Central Government has also authorised States/UTs to impose stock limits from time to time in the case of select essential commodities such as pulses, edible oils and edible oilseeds and issued advisories to them to enforce stock limits and send reports of quantity and value of stock seized. Government has also set up a Group of Officers involving enforcement agencies for regular monitoring and exchange of information on hoarding, cartelization, etc.

(c) : Government has set up Price Stabilization Fund (PSF) scheme to tackle inflationary trends of important agri-horticultural commodities like onion, potatoes and pulses through market intervention to protect the interests of consumers. Such market intervention initiatives by Government would not only help send the appropriate market signal but also deter speculative/hoarding activities.

(d) : Difference in wholesale and retail price depends on factors such as transportation cost, loading/unloading expenses, grading/shorting, wholesaler's margin, wastages during movement/weighting, location of retail shops, fixed overhead expenses of retailers and margin of retailers etc.

Government has launched National Agricultural Market (e-NAM) on 14th April, 2016 with the objective to reduce the price gap, induce competition and transparency in sale transactions.

(e) Under the Essential Commodities Act, 1955 State Governments are empowered to control the prices at which any essential commodity may be bought or sold.
